

RECORDATION NO. 26542-A FILED

SEP 06 '06

1:48 PM

SURFACE TRANSPORTATION BOARD

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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

September 6, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Trust Indenture and Security Agreement, dated September 7, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Car Service Agreement being filed with the Board under Recordation Number 26542.

The names and addresses of the parties to the enclosed document are:

Owner Trustee: PEF Statutory Trust 2006-1 acting through
U.S. Bank Trust National Association
225 Asylum Street
Hartford, CT 06103

Indenture Trustee: Wells Fargo Bank Northwest, N.A.
299 South Main Street
Salt Lake City, UT 84111

Mr. Vernon A. Williams
September 6, 2006
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A description of the railroad equipment covered by the enclosed document is:

105 AutoFlood railcars: PEFX 6000 – PEFX 6104.

A short summary of the document to appear in the index is:

Memorandum of Trust Indenture and Security Agreement.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/sem
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF TRUST INDENTURE AND SECURITY AGREEMENT dated September 7, 2006, between PEF STATUTORY TRUST 2006-1, a Connecticut statutory trust (the "Owner Trust", or the "Owner Trustee", which term includes, if the context requires, U.S. Bank Trust National Association, not in its individual capacity, but solely as Owner Trustee), and WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity but solely as Indenture Trustee (the "Indenture Trustee"). Capitalized terms used herein which are not defined herein shall have their respective meanings ascribed thereto in the Service Agreement and the Indenture (referred to below).

Owner Trust and Indenture Trustee have entered into that certain Trust Indenture and Security Agreement (PEF Statutory Trust 2006-1) dated as of September 7, 2006 (the "Indenture"), as supplemented by Indenture Supplement No. 1 (PEF Statutory Trust 2006-1) dated September 7, 2006 (*Indenture Supplement No. 1*) to witness that, as security for the due and punctual payment of the principal of and Premium, if any, and interest on the Notes and all other amounts payable to or for the benefit of the Noteholders and Indenture Trustee under the Operative Documents and the performance and observance by Owner Participant, Lessee and Owner Trustee of their respective agreements and conditions applicable to them contained in the Operative Documents, Owner Trustee grants to Indenture Trustee a first priority security interest in and mortgage and charge on, all of Owner Trust's estate, right, title and interest in and to the following described property, whether now owned or hereafter acquired (all such property, other than Excepted Property, being herein called the "Trust Indenture Estate"):

1. the Service Agreement and Service Agreement Supplement No. 1, including, without limitation, all rights of Owner Trust as Lessor thereunder and all amounts of Basic Rent, Supplemental Rent, insurance proceeds and other payments of any kind for or with respect to the Equipment payable thereunder;
2. the Equipment described in Schedule A to Schedule I of Service Agreement Supplement No. 1, which is also described in Schedule A hereto, and all additions and alterations thereto, replacements thereof and substitutions therefor and all subleases thereof;
3. all right of Owner Trust to restitution from any party to any Operative Document (other than the Tax Indemnity Agreement) in respect of any determination of invalidity thereof; all moneys and securities now or hereafter paid to or deposited with (or required to be paid to or deposited with) Indenture Trustee by or for the account of Owner Trust pursuant to this Indenture; and all instruments, documents of title, books and records of Owner Trustee concerning the Trust Indenture Estate (other than income tax);
4. the Participation Agreement and the Bill of Sale (including, without limitation, all rights to amounts paid or payable to Owner Trust thereunder and all rights to enforce payments);

5. all other property and assets of whatever kind, nature or description, real, personal and mixed, and any interest therein, which may be acquired, received or held by Owner Trust pursuant to any Indenture Operative Document (other than the Tax Indemnity Agreement), wherever located and whether or not otherwise expressly subjected to the lien of the Indenture; and

6. all proceeds, rents, issues, profits, products, revenues and other income from or on account of the property, rights and privileges subjected or required to be subjected to the lien of the Indenture;

BUT EXCLUDING from the foregoing all Excepted Property, as such term is defined under the Granting Clause of the Indenture.

The Service Agreement, Service Agreement Supplement No. 1, the Indenture and Indenture Supplement No. 1, shall be effective as of the respective dates thereof.

This memorandum may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one such memorandum.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties wish to show for the public record the ownership of said railroad equipment by Owner Trustee, the leasehold interest therein of the Lessee, the assignment and mortgage of and security interest in the aforesaid property in favor of Indenture Trustee, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

PEF STATUTORY TRUST 2006-1, acting through
U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Owner
Trustee

By: 
Name: Michael M. Hopkins
Title: Vice President

WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION,
as Indenture Trustee


By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties wish to show for the public record the ownership of said railroad equipment by Owner Trustee, the leasehold interest therein of the Lessee, the assignment and mortgage of and security interest in the aforesaid property in favor of Indenture Trustee, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written.

PEF STATUTORY TRUST 2006-1, acting through
U.S. BANK TRUST NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Owner
Trustee

By: _____
Name: _____
Title: _____

WELLS FARGO BANK NORTHWEST,
NATIONAL ASSOCIATION,
as Indenture Trustee

By:  _____
Name: Val T. Orton
Title: Vice President

STATE OF Connecticut)

) ss.:

COUNTY OF Hartford)

On this 5th day of September, 2006, before me personally appeared Michael M. Hopkins, to me personally known, who, by me being duly sworn, says that he/she is Vice President of U.S. BANK TRUST NATIONAL ASSOCIATION, and that the foregoing instrument was signed on behalf of said national association by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.



Notary Public

SUSAN P. McNALLY
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 2010

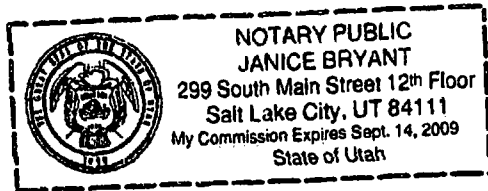
My commission expires

STATE OF UTAH)
COUNTY OF SALT LAKE)

On this ____ day of _____, 2006, before me personally appeared _____, to me personally known, who, by me being duly sworn, says that he/she is Val T. Orton VICE PRESIDENT of WELLS FARGO BANK NORTHWEST, NATIONAL ASSOCIATION, and that the foregoing instrument was signed on behalf of said national banking association by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

My commission expires



**SCHEDULE A to
MEMORANDUM OF
INDENTURE**

Description of Items of Equipment

105 AutoFlood™ III railcars marked as follows:

PEFX 6000 through PEFX 6104 (all inclusive)

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

9/16/06



Robert W. Alvord